



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 10

1200 Sixth Avenue, Suite 900
Seattle, Washington 98101-3140

APR - 7 2015

OFFICE OF
COMPLIANCE AND ENFORCEMENT

Reply To: OCE-133

CERTIFIED MAIL RETURN RECEIPT REQUESTED

NOTICE OF VIOLATION

Mr. Bart Wittmer
ExxonMobil Lubricants & Specialties Company
9420 NW St. Helens Road
Portland, Oregon 97231

Re: ExxonMobil Portland Lube Plant
Spill Prevention Control and Countermeasure (SPCC) Inspection
Facility Response Plan (FRP) Inspection

Dear Mr. Wittmer:

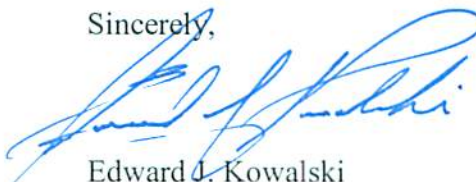
On September 4, 2014, representatives of the U.S. Environmental Protection Agency ("EPA") inspected ExxonMobil Lube Plant ("Facility") located in Portland, Oregon. It is our understanding that you are the owner and/or operator of this facility. The purpose of this letter is to notify you that the EPA may impose a civil penalty for your failure to implement the requirements of the Oil Pollution Prevention regulations found at 40 C.F.R. Part 112. Pursuant to the federal Oil Pollution Prevention regulations, the Facility must have a certified Spill Prevention, Control and Countermeasure ("SPCC") plan in accordance with the requirements of 40 C.F.R. § 112.7 and 40 C.F.R. § 112.3(a), must maintain a copy of the plan on site (40 C.F.R. § 112.3(e)), and must fully implement the plan (40 C.F.R. § 112.3(a)). A summary of deficiency findings of the Oil Pollution Prevention regulations found at your facility is enclosed with this notice.

ExxonMobil is required to respond in writing to the enclosed findings within thirty (30) days of receipt of this letter. In addition, if updated SPCC and/or FRP plans have been prepared, please include them along with your correspondence. The request for information in this letter is made under the authority of Sections 308 and 311(m) of the Clean Water Act ("CWA"), 33 U.S.C. §§ 1318 and 1321(m). In accordance with the provisions of 40 C.F.R. § 2.203, you may assert a business confidentiality claim covering part or all of the information submitted by clearly identifying it as "confidential." If no such claim accompanies the information when it is received by the EPA, it may be made available to the public without further notice.

As stated above, failure to comply with the SPCC requirements may subject you to a substantial civil penalty for each day of violation pursuant to Section 311(b)(6)(B)(ii) of the CWA, 33 U.S.C. § 1321(b)(6)(B)(ii) and 40 C.F.R. Part 19. Although it may not prevent the EPA from seeking a penalty for past violations, prompt compliance will be taken into account in determining the appropriate enforcement response.

In order to help you with your spill prevention work and for current changes to the rule, please visit EPA's Oil Spill site at <http://www.epa.gov/emergencies/content/spcc/>. The EPA reserves the right to revisit your facility at some time in the future. Any questions regarding this matter should be directed to Kate Spaulding, EPA Region 10 SPCC Enforcement Officer, at (206) 553-5429.

Sincerely,



Edward J. Kowalski
Director

Enclosure

cc w/enc: Mr. Mike Zollitsch
Oregon Department of Environmental Quality

EPA/FACILITY INSPECTION REVIEW
ExxonMobil – Portland Lube Plant
Portland, Oregon 97231

SPCC RULE REFERENCE	PLAN	FIELD	INSPECTION DEFICIENCY DESCRIPTION (9/4/2014)
112.3(d) SPCC Plan Preparation and Implementation	X	N/A	<ul style="list-style-type: none"> • PE is familiar with the requirements of 40 CFR part 112 • PE or agent has visited and examined the facility • Procedures for required inspections and testing have been established • Plan is adequate for the facility <p><i>"The original engineer's certification page found in appendix E of the facility's on-site SPCC Plan was neither signed nor sealed by the engineer; however, it is dated 1/30/2007. The engineer's certification page for the latest amendments, dated 1/14/2013, is signed and sealed by the engineer, but this page does not have the complete set of attestations required by 40 CFR 112.3(d). The facility representative stated that he would look for an earlier version of the plan from 1/30/2007 with the signed certification page and would respond back to us with a copy."</i></p> <p>***The original engineer's certification page, signed by Gary Morris and dated 1-30-2007, was located, scanned, and sent from the facility representative via e-mail to the inspectors on September 29, 2014."</p>
112.7(a) Environmental Equivalence (2)	X		<p>Alternative measures described in detail and provide equivalent environmental protection.</p> <p><i>"Page 9, Section 1.10 "Deviations to Rule" of the SPCC Plan states that interior shop built tanks >5000 gallons would not undergo formal external integrity inspections, only routine operator visual inspections, because they are constantly "under surveillance by plant personnel during manufacturing of lube products." The section continues with an explanation of the difficulty of conducting inspections because of common walls and inaccessible confined spaces, and describes mitigating factors: the tanks are located indoors; the tanks are located over impermeable surfaces (e.g. concrete); and the tanks are routinely inspected by the operator."</i></p> <p><i>However, this section of the Plan does not adequately explain the reason for nonconformance. The nonconformance is with 40 CFR 112.8(c)(6), and the essential reason given (common walls and inaccessible confined spaces) is actually a risk factor that underscores the need to adequately comply with 40 CFR 112.8(c)(6) because it hinders the operator's ability to routinely visually inspect all sides of the tanks."</i></p> <p><i>This section of the Plan also does not explain how the alternate methods will achieve equivalent environmental protection. Routine visual inspections of tanks >5,000 gallons only by the operator are not equivalent to regular testing and inspection by qualified personnel in accordance with the industry standard SP001 cited in Appendix D of the Plan."</i></p>

<p>112.7(a) Facility Diagram (3)(i)</p>	<p>X</p>	<p>Plan addresses: For each fixed container, type of oil and storage capacity. For mobile or portable containers, type of oil and storage capacity for each container or an estimate of the potential number of mobile or portable containers, the types of oil, and anticipated storage capacities.</p> <p><i>"Appendix B (rev. 3) of the facility's SPCC Plan lists 93 fixed bulk storage containers, 6,110 mobile/portable bulk storage containers, tanker trucks with up to 6,500 gallon compartments, and railcars with up to 26,000 gallons of capacity. The majority of these (trucks, railcars, 91 fixed containers, and 6,010 mobile/portable containers) are listed as containing "Lube Product", but the specific oil type is not identified. The remaining 100 drums are listed as containing "various" substances. The Plan should identify the specific type of oil product in order to verify that secondary containment measures are adequate. This is particularly critical for containers at the facility where API oil-water-separators (which rely on the difference between the specific gravity of oil and water to function correctly) serve as secondary containment because certain Exxon lubricants can approach (e.g. MOBIL EAL ARCTIC[tm] 32) or exceed (e.g. MOBIL JET [tm] OIL II) the specific gravity of water according to http://www.exxonmobil.com/MarineLubes-En/Files/mineral-and-synthetic-lubricants-summary.pdf.</i></p> <p>***Email from Keith Tront on 11/10/14 shows above issue corrected.</p> <p><i>Also, in Appendix B (rev. 3), the interior overhead W and X tanks are treated as 22 individual bulk storage containers with capacities ranging from 2,800 gallons to 10,000 gallons, and yet are stated in the table's key to be "internal tanks inside one single open top elevated rectangular tank". The combined capacities of the W and X tanks would be 124,000 gallons. And, the interior overhead Y and Z tanks are treated as 20 individual bulk storage containers with capacities ranging from 2,800 gallons to 10,000 gallons, and yet are stated in the table's key to be "internal tanks inside one single open top elevated rectangular tank". The combined capacities of the Y and Z tanks would be 123,800 gallons. Clarification is needed to answer the following questions: Do the individual tanks overflow to one another? Are the individual tanks commonly manifolded together with open valves?"</i></p>
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112.7(b) Discharge Prediction	X	N/A	<p>Plan includes a prediction of the direction, rate of flow, and total quantity of oil that could be discharged for each type of major equipment failure where experience indicates a reasonable potential for equipment failure.</p> <p><i>"The discharge prediction in Appendix A of the SPCC Plan is incomplete in regards to: aboveground-piping, underground-piping, and tanker truck transfers. The prediction lists the oil discharge volume and rate for these components of the facility as "various" which provides no usable information for sizing appropriate general secondary containment for these components.</i></p> <p><i>The discharge prediction in Appendix A treats all fixed bulk storage containers the same, regardless of whether they are in the warehouse with oil-water-separator containment, or outside with concrete dike containment.</i></p> <p><i>The discharge prediction in Appendix A does not sufficiently describe the direction of potential oil discharges from the facility for each type of equipment failure. The directions indicated are "within dike", "within drainage system", "toward drain", or "within warehouse". These descriptions provide a limited sense of how oil might discharge within the facility, but not how oil could discharge from the facility.</i></p> <p><i>The discharge prediction in Appendix A fails to address rail tanker car transfer areas.</i></p> <p><i>The discharge prediction in Appendix A addresses the truck loading rack (north of the warehouse), but does not appear to address the truck loading/unloading area to the west of the warehouse."</i></p> <p>***Email from Keith Tront on 11/10/14 shows above issue corrected.</p>
112.7(j) Conformance with State Rules, Regulations and Guidelines	X	N/A	<p>Discussion of conformance with applicable more stringent State rules, regulations, and guidelines and other effective discharge prevention and containment procedures listed in 40 CFR part 112.</p> <p><i>"Because the facility has the potential to discharge oil to the City of Portland sanitary sewer system and POTW, section 1.11 "Conformance With Other Requirements" (page 10) should include a discussion of the City of Portland Bureau of Environmental Services rules (e.g. ENB-4.26, Fats, Oils, and Grease Removal Program Administrative Rules, etc) and/or other applicable State of Oregon and local requirements."</i></p>
112.8(b) Facility Drainage (3)	X	X	<p>Drainage from undiked areas with a potential for discharge designed to flow into ponds, lagoons, or catchment basins to retain oil or return it to facility. Catchment basin located away from flood areas.</p> <p><i>"A worst-case-discharge (WCD) of up to 16,667 gallons of oil can potentially discharge from bulk storage container K4 (Kettle 4) to the "lower" 5,100 gallon (listed capacity in Plan) oil-water-separator (OWS) as described on pages 15 and 16 of the facility's SPCC Plan.</i></p>

		<p><i>The facility is designed to handle nearly this capacity through the use of a manually operated (per page 12 of the SPCC Plan) oil transfer pump to pump high levels of recovered oil from the "lower" OWS to bulk storage container R2 (9,995 gallon listed capacity in Plan) for 15,096 gallons of combined capacity.</i></p> <p><i>The system is 1,571 gallons undersized; the SPCC Plan states (page 16) that it is assumed that the warehouse building floor and the floor drain system and piping to the "lower" OWS would retain the difference, but there is no calculation provided to support this assumption.</i></p> <p>***Email from Keith Tront on 11/10/14 shows above issue corrected.</p> <p><i>Additionally, the manually operated transfer pump would not ensure effective secondary containment if an undetected spill exceeding 5,100 gallons occurs.</i></p> <p><i>Finally, Exxon lubricants can approach (e.g. MOBIL EAL ARCTIC[tm] 32) or exceed (e.g. MOBIL JET [tm] OIL II) the specific gravity of water according to http://www.exxonmobil.com/MarineLubes-En/Files/mineral-and-synthetic-lubricants-summary.pdf. If these products are in inventory at regulated volumes (in containers with capacity of 55 gallons or greater) and rely on the "lower" OWS for containment, then the ability of the OWS to retain them should be affirmed in the SPCC Plan."</i></p> <p>***Email from Keith Tront on 11/10/14 shows above issue corrected.</p>
112.8(c) Bulk Storage (2)	X	<p>Except for mobile refuelers and other non-transportation-related tank trucks, construct all bulk storage tank installations with secondary containment to hold capacity of largest container and sufficient freeboard for precipitation.</p> <p><i>"Page 11 of the SPCC Plan (revision #3) specifies that secondary containment volume for diked areas (e.g. the Southwest Lube Oil Tank Farm) is 110% of the largest bulk storage container, but does not provide an adequate explanation for this amount of freeboard. The explanation given is that it is "industry practice (API Bulletin D-16, Suggested Procedure for Development of a Spill Prevention Control and Countermeasure Plan, Fifth Edition, April 2011)" and it "is based on the company's engineering practice". Neither of these explanations describe how 110% containment is sufficient for this particular facility. The facility should use location-specific precipitation data in the calculations contained in Appendix F, and use the results of the calculations to determine the amount of secondary containment freeboard needed.</i></p> <p><i>As an example, NOAA Technical Paper 40 (or the more recent Atlas 14) documents the 25-year, 24-hour maximum rainfall event for the Portland, Oregon area as between 4 and 6 inches of precipitation; the facility engineer may determine another frequency and duration</i></p>

			<i>to be more appropriate for this particular facility.</i>
112.8(c) Bulk Storage (6)	X		<p>The frequency and type of integrity testing and inspections are documented, are in accordance with industry standards and take into account the container size, configuration and design.</p> <p><i>"The bulk oil storage container integrity inspection and testing program described in Appendix D of the SPCC Plan states that STI-SP001 (4th edition) and API-653 (4th edition, 2009) will be used. On page D-3 of the Plan, the engineer exempts shop-built ASTs greater than 5,000 gallons from any formal external/internal inspections or testing unless a visible leak is detected, which is contraindicated by the most appropriate method: STI-SP001 specifies formal external inspections once every 20 years for these types of Category 1 bulk storage containers with spill control, continuous release detection methods, and oil storage capacity greater than 5,000 gallons.</i></p> <p><i>The Plan does not clearly describe the applicability of the referenced standards (STI-SP001 and API-653) to the W-X and Y-Z bulk storage containers with the shared walls - API 653 does not contemplate this situation for smaller tanks and STI-SP001 does not contemplate tanks with shared walls."</i></p>
112.8(c) Bulk Storage (9)	X		<p>Effluent treatment facilities observed frequently enough to detect possible system upsets that could cause a discharge as described in §112.1(b).</p> <p><i>"Section 2.8.8 (page 26) of the SPCC Plan states that "The oil water separator is visually monitored monthly when discharging to ensure there is not visible sheen in the effluent in accordance with NPDES Permit Number 1200-Z. The monitoring results are documented in an annual report submitted to the state."</i></p> <p><i>This statement only covers the "upper" oil-water-separator (OWS) which discharges to the Willamette River from areas where oil handling does not occur (such as the warehouse rooftop drains) where a discharge described in 40 CFR 112.1(b) would not be expected to occur. The SPCC Plan must address monitoring the "lower" OWS for upsets that may result in a 40 CFR 112.1(b) discharge via the City of Portland sanitary sewer and POTW system.</i></p> <p><i>It should be noted that oil was observed in drain/catch basins inside the warehouse and at the railcar unloading areas. If this oil is accumulating inside the "lower" OWS, then there may be reduced secondary containment capacity for bulk storage containers such as K4."</i></p>
112.8(c) Bulk Storage (10)			<p>Visible discharges which result in a loss of oil from the container, including but not limited to seams, gaskets, piping, pumps, valves, rivets, and bolts are promptly corrected and oil in diked areas is promptly removed.</p>

[illegible]